



City of Muskegon
Community Development Block Grant
Consolidated Annual Performance and Evaluation Report
2014 Grant



SUMMARY

We experienced a typical year except for the 2 additional projects to impact our core neighborhood included in our downtown development area. For the most part, we managed to complete 8 vinyl siding projects for eligible citizens and repaired close to 40 (goal) residences. However, the most significant changes, unlike past years, were in demolitions and board-ups of abandoned structures- they were noticeably increased in number. The city is trying to produce a more positive image that better represents our strengths and services, so addressing blighted neighborhoods is just one initial step to reaching this goal.

The Target neighborhood identified was census tracts 6.01 and 6.02, otherwise known as Nelson Neighborhood. The completion of Merrill Street was a benefit to the neighbors not only aesthetically, but emotionally as well because it was a visual investment of funds in an otherwise untouched neighborhood. Our concentration in this area offered citizens and youth an opportunity to work alongside a very active neighborhood association. There have been 3 rental rehabilitation projects started, 5 housing repair assistance activities and 2 vinyl siding constructions completed.

Assisting citizens with Priority Housing repairs - specifically roofs, which made up over half the repairs provided when a huge windstorm damaged several homes in our community. Many households sought help to make the necessary repairs that would keep them safe in their homes, and many received help with their furnaces through our partnership with DTE. Other services requested were for electric and plumbing defects. Below is a snapshot of the programs utilizing CDBG funds:

2014-15

		OBJECTIVE	OUTCOME
HOUSING PRIORITIES	HOUSING REPAIR	40 UNITS	37 UNITS
	VINYL SIDING	10 UNITS	8 UNITS
	RAMPS	3 UNITS	4 UNITS
NON-HOUSING PRIORITIES	DEMOLITION	DEMOLISH 10 HOUSING UNITS	9 HOUSING UNITS DEMOLISHED
	BOARD-UPS	BOARD 30 HOUSING UNITS	78 HOUSING UNITS BOARDED
OTHER ACTIVITIES	SUMMER INTERNS	2-3 INTERNS	2 INTERNS

We worked with our sister cities- Muskegon Heights and Norton Shores, as well as the County of Muskegon to leverage funds with the DTE Energy Test and Tune program. We gained the ability to stretch our funding and include more citizens while installing updated efficient features like programmable thermostats. Through this effort we were able to leverage our Priority Housing activities city-wide. The momentum from the previous year helped us market this year-round opportunity throughout the county. Our partnership proved to be vital for families that would be ineligible for our program but were allowed access to this service county-wide.

DTE program statistics include 24 county residents; 19 were in the city limits, and of those, only 2 required that we include CDBG funds to complete the work performed. Our purpose in what we do was performed - helping low-moderate income families with housing repairs to keep their homes safe and suitable for living.

Fair Housing

Each year Muskegon County and our sister cities, Muskegon Heights and Norton Shores, partner through an Inter-agency agreement which contracts with the Fair Housing Agency of West Michigan (FHA). This agreement enlists surveys, testing, training and reports explaining our Muskegon area fair housing behaviors and tendencies. This year we signed a two year agreement to continue the monitoring of our area agencies and to connect with our citizens that reported possible housing discriminatory actions. The opportunity to reduce unjust practices will strengthen our communities. In light of our reporting schedules for Action Plans and end of the year reports to HUD, we opted to have the FHA provide us with a mid-year and end of the year report. This change saved us all money and it is easier to review within our annual budget schedule.

Municipality	Approx. Population	Percentage of total	Financial Responsibility
City of Muskegon	37,213	22	4500
City of Norton Shores	23,998	14	2500
City of Muskegon Heights	10,831	6	1000
County of Muskegon	171,008	58	7000
TOTALS	243,150	100%	\$15,000

Affordable Housing

HOME activities for CHDOs and our Homebuyer Program were very successful. Two agencies received CHDO reserve dollars to produce 3 housing units- 1 homebuyer and 2 rentals. The city was able to rehab one property. There was one acquisition that ended in a demolition and lot split between the two adjacent neighbors. However the homebuyer properties will close within 6 months of completion producing two units this funding cycle.

Using the 2009 Building Code standards as our rehabilitation/new construction standard, all housing projects within the City of Muskegon conform to our local code enforcement team of inspectors. Inspection reports and staff monitoring are important safeguards throughout the building process.

We continue to work together on the promotion of qualified contractors that provide quality work that meet our housing codes while promoting efforts to reach minority and female-owned businesses. Recently, our Affirmative Action department updated policies to include local minority-owned businesses in our selection process. The procurement process for using contractors has been extended to two-year contracts of service to avoid delays in our activity operations.

General Questions

Any obstacles we faced in meeting the underserved needs could be linked to our funding resources. We do not have a match requirement in our community, so the biggest challenge was met head on by the reduction of Muskegon's 2011 grant allocation. We dropped below 1 million in CDBG money, was forced to make policy changes to offset less funding, we continued to serve low income households and ultimately, we could only fund one sub-recipient agency to help us carry out our goals. 2014 remained constant with just the one agency, LOVE Inc. We continue to offer grants from our entitlement funds to provide youth with after-school activities - open gym, and a number of summer programs and activities geared to engage children and offered specific character building programs.

THE PROCESS

Operations

Staff from Community and Neighborhood Services is working with local departments, outside agencies and commissioners to move forward on our plans to provide services to our low to moderate income citizens. Our efforts to assist a local unit of government have gone well for 7 years. Increasing our partnerships has enhanced the community's perception of us working together. It is clear that we have the staff capacity to continue this level of service work as well as performing contractual duties in another municipality.

Lead-Based Paint

The County of Muskegon's Lead Hazard Reduction Program, managed by the County Treasurer's Department, has agreed to assist with 2 owner-occupied homes with our commitment, and 3 rental units were completed. The City of Muskegon continues to partner as a funding agent for rentals units within our city limits in an effort to make safe housing units for young children. The free testing offered by this grant allows lead-based paint hazard remediation, which supports our goal to reach more families, leverage dollars, increase partnership, and most importantly, we are part of producing decent housing units for households with children. We meet these challenges when we:

- Publicize the program to every property owner requesting rental assistance for rehabilitation
- Accept vinyl-siding applications assisted with lead-based paint remediation

The county will test; we will cover non-lead rehab costs at a ratio of 50/50, and if necessary, fill the gap above the maximum grant threshold. We are committed to reducing lead based paint hazards in rental units in the City of Muskegon and we have made every effort to partner with the County to help our renters and landlords in this regard.

Community Development

Our Affirmative Action director solicited the local high school and colleges for internship opportunities within the City of Muskegon. This year a task force of one commissioner and I interviewed agencies that could help youths who will be returning to high school and we were able to conduct a series of meetings with Michigan Works for our 2015 funding year. At least five young people were identified through a workshop requesting that they reside and attend Muskegon Public Schools. The agreement will be to provide a learning atmosphere for our youth to gain work skills, to highlight local employers, and set in motion future hires.

HOUSING NEEDS

Goals and objectives met during Action Plan 2014 are tabulated below:

Type of Repair					Total Amount	Ethnic					Senior	Income		
R	F	E	P/S	O		B	W	H	A	AI		60%	30 - 50%	20%
1					\$6,633.00	1						1		
1	1				\$6,679.00		1						1	
			1		\$1,000.00	1							1	
1					\$12,686.00			1					1	
			1		\$1,265.00		1						1	
			1		\$100.00		1				1			1
			1		\$1,200.00		1				1		1	
			1		\$800.00		1				1		1	
1					\$6,677.00	1							1	
1					\$5,195.00		1						1	
1					\$21,593.00	1							1	
1					\$3,688.00		1				1		1	
1					\$7,928.00	1							1	
	1				\$3,055.00		1						1	
1					\$4,525.00	1							1	
1					\$3,978.00		1							1
	1				\$2,200.00		1				1	1		
		1			\$2,024.00	1							1	
			1		\$13,304.83	1					1	1		
1					\$4,511.00		1					1		
			1		\$2,500.00		1				1		1	
	1				\$4,600.00		1				1	1		
1					\$6,811.00	1					1		1	
1					\$5,868.00	1							1	
	1		1		\$4,800.00	1							1	
	1	1			Boiler		1				1	1		
1					\$4,977.00	1							1	
1					\$5,428.00	1					1		1	
1					\$7,769.00		1				1		1	
1					\$3,988.00	1					1	1		
1					\$11,032.00		1						1	
	1				\$6,417.00		1							1
	1				\$2,470.00	1						1		
	1				\$2,775.00	1					1			1
			1		\$1,800.00		1				1		1	
1					\$5,787.33		1				1	1		
1					\$3,738.00		1				1		1	
20	9	2	9	0	\$197,691.16	16	20	1	0	0	17	9	24	4

*R=Repair F=Furnace E=Electric P/S=Plumbing/Sewer O=Other

INCOME		
<30%AMI 4	30-50%AMI 24	50-60 AMI 9
HEAD OF HOUSEHOLD		
Male- 17	Female- 20	

Install Total	Supply Total	Total Amount	Ethnic					Income			Senior		FHH		HH	
			B	W	H	A	AI	20%	50%	60%	Y	N	Y	N	Y	N
\$4,643.75	\$3,067.16	\$7,710.91	1							1		1	1			1
\$2,569.75	\$2,588.25	\$5,158.00		1				1			1		1			1
\$5,523.75	\$573.95	\$6,097.70		1					1			1	1			1
\$3,440.75	\$2,392.02	\$5,832.77	1						1		1			1		1
\$3,736.75	\$3,980.58	\$7,717.33		1					1		1		1		1	
\$3,162.75	\$2,453.12	\$5,615.87	1						1			1		1		1
\$5,437.75	\$3,773.37	\$9,211.12	1						1			1	1		1	
\$2,352.75	\$1,644.77	\$3,997.52		1						1		1		1		1
		\$51,341.22	4	4	0	0	0	1	5	2	3	5	5	3	2	6

*occupants are below 30% AMI

FHH- Female Head of Household

HH- Handicap

Our intent to improve programs and streamline the process by which we assist families was strengthened when we restricted households to a 10 year limitation to program services. Families could not return to receive new housing repairs if previously assisted, which prolonged the life of our budget. Without limits, our citizens returned for help annually on a regular basis. As a result of our 10 year limit, staff was able to utilize grant funds to repair more roofs than in previous years and provide new citizens with housing repair assistance. We are proud to say that no one was turned away needing assistance because we ran out of funds.

For all of our housing programs, we did not displace any homeowner. It is necessary to state that our CDBG funded programs were limited to our entitlement allocation and any additional resources were covered by (PI) Program Income received from the CDBG programming.

HOME

Affordable, decent and safe housing is critical to goals and objectives of the 2011 Consolidated Plan activities.

ACTIVITIES	5 YR PROJECTION	PREVIOUS PROGRESS	2014 PROGRESS
Acquisition	2	2	0
New Construction	5	3 *	2
Rehabilitation	10	8	0
Rental	10	10*	3

*CHDO Assisted

The City of Muskegon's Homebuyer Assistance Grant was new to our program roster and used the Program Income to fund it.

		<u>Households Income ≤ 80% AMI</u>			
GENDER	RACE	FAMILY SIZE	PURCHASE PRICE		NEIGHBORHOOD
			(Homebuyer Assistance)		
F	WHI	3	\$72,900	(\$5,546.46)	Glenside
M	WHI	1	\$72,900	(\$5,600.00)	Glenside
F	WHI	1	\$60,000	(\$5,360.00)	Nims
F	BLK	1	\$48,000	(\$5,000.00)	Nims
F	WHI	1	\$59,900	(\$4,819.16)	Lakeside
F	BLK	3	\$67,900	(\$3,483.72)	Nims
F	WHI	1	\$39,000	(\$4,072.64)	Nelson
F	WHI	3	\$69,900	(\$5,209.33)	Nims
F	WHI	1	\$35,000	(\$4,632.38)	Campbell
F	WHI	1	\$47,000	(\$4,178.87)	Campbell
2014 Homebuyer Assistance Grant Total			<u>\$ 47,902.58</u>		

The italicized grant assistance indicates amounts above \$5000 for the added cost of a Lead Risk Assessment.

Public Strategy

As the governmental entity for our Public Housing Agency residing in our city limits, they continue to affirm that our plans fit the consolidated plan, which supports suitable living environments for low-income households. To promote homeownership, the City of Muskegon continues to actively engage with the Housing Commission, and now two City employees are board members. A new director is in place and changes to services because of new leadership have worked to improve the public perception of the housing agency.

The challenges have been met and now they are back in charge of their financial systems without bi-weekly approvals from HUD's Public Housing staff. Strategies to support a stronger relationship between the agency and city have grown and enhanced our community.

Barriers to Affordable Housing

Current identifiable barriers to affordable housing are FHA mortgages, banks willing to invest, and financing for families with moderate credit scores- 580 to 620. Several banks have limited low income families' abilities to purchase affordable homes that are considered non-conforming collateral. Home selection was limited and the inability to acquire homes in the areas of marketability has hampered our search for a reasonable property to rehabilitate.

At least 4 homes were bid and each time we came up with nothing. The housing market has shifted to produce more buyers than homes available to purchase. The competition is fierce and we have been forced to purchase land in city neighborhoods that have not been inhabited with our housing target. This brings about a new dynamic of social issues.

We have had a Lease with Option to Purchase program, but no one has purchased the home that they are currently renting. However, our inventory in this program has diminished; one property sold and two remain occupied with the original tenants.

Neighborhoods in need of assistance for playground equipment and recreational apparatus were just a few enhancements that we supported through our Neighborhood Grants. We supported the efforts of the neighborhood

associations to ensure that the requested improvements happened. Improving neighborhoods will remove barriers to affordable housing in areas that are questionable to market sales.

In addition, we have worked with the Fair Housing Agency of West Michigan to identify barriers to families who may have experienced discrimination, which can be considered a barrier to affordable housing. Our collaboration with our sister cities supports a positive action toward furthering fair housing choice in Muskegon.

This agreement commissions the Fair Housing agency to address realtors, service agencies and public officials, all in an effort to help eliminate barriers of housing discrimination. Twice a year, we receive reports about what they have found and what they perceive as solutions to any foreseen areas of affordable housing options.

Homeless Needs

In our community, Muskegon is an active board member of the Continuum of Care Coalition. Local agencies have experienced some changes with the leadership; another agency has assumed the role of tracking the clients and offering housing vouchers to households at risk of becoming homeless.

Actions taken to deter homelessness

- Staff training
- Recruitment of landlords
- Multi-agent programs for at risk families
- Support groups
- Improved housing opportunity facilities

More funding for families in the area of rental assistance was accomplished. Previously cut off from any type of assistance, a family could re-apply for rent subsidy dollars that were released to our area early spring 2012. These federal dollars helped to prevent eviction which leads to homelessness.

Non-Homeless Special Needs

People Living Below Poverty

Our commission members agreed to fund a local, sub-recipient grant funds to help low-income families pay utilities and rent. **Love INC** has been assisting area households with utilities and ramps for the past 4 years. Monitoring their success of 13 residents of the City of Muskegon with rent/utility assistance, the following is a breakdown of those non-homeless, households:

<u>Income Level *</u>	
Extremely Low	9
Very Low	4
Low	0
<u>Ethnic Group</u>	
Black	5
White	3
Latino	5

* Low: 60 – 80% Very Low: 30 – 50% Extremely Low 20% >

HOPWA

The City of Muskegon is home to a HOPWA funded agency who has submitted plans that coincide with the City's Consolidated Plan as a Housing priority for affordable housing units. No direct financial assistance has been given to the agency but any improvement in local properties is a perceived benefit for any persons facing eviction and struggling to afford a suitable place to live.

Because the City of Muskegon does not receive HOPWA funding, our role is simple: We are available to meet the needs of all of our citizens regardless of race, religion, color, national origin, age, familial status, marital status, sexual orientation or gender identity, and an agency that supports this effort.

Emergency Shelter Grant

Not funded directly, but several Continuum of Care coalition members report on the County's funding. The needs of at-risk families have been served by the circle of shelters, programs and community organizations receiving state funding.

Comments

No comments were received during the public comment period.